LION FINANCE GROUP

GREEN FINANCE FRAMEWORK

GREEN FINANCE FRAMEWORK

ADOPTED BY
The Board of Directors of Lion Finance Group PLC

DATE OF ADOPTION
March, 2025

APPLIES TO
JSC Bank of Georgia and CJSC Ameriabank

GROUP POLICY OWNER
ESG and Sustainability Direction, Legal Department

REVIEWED BY
Environmental and Climate Risk Management Unit

LANGUAGE
English, Georgian, Armenian

INFORMATION CLASS
Public

CONTENTS

DEFINITIONS

Group Entities

Bank of Georgia
JSC Bank of Georgia

Ameriabank
CJSC Ameriabank

Board
The Board of Directors of Lion Finance Group PLC.

Group Companies
Means companies (a) whose affairs and policies Lion Finance Group PLC directly or indirectly controls or (b) companies of which Lion Finance Group PLC owns directly or indirectly more than 50% of their capital, voting stock or other rights of ownership. "Control", as used in this definition, means the power to direct the management and the policies of that company, whether through the ownership of share capital, by contract or otherwise.

The Group
The Lion Finance Group and its Group Companies.

ESI Committee
Respective Committee established and governing environmental and social matters within the Bank of Georgia.

ESG GOVERNANCE

Oversight of the majority of material ESG topics and related impacts on the economy, people, and the environment is allocated to specific Board Committees: The Risk, Audit, Nomination, and Remuneration Committees. While the Committees retain continued responsibility for discrete ESG-related matters, the full Board retains primary responsibility for the Group's overarching ESG strategy, which has been framed around material ESG topics.

The Board ensures the alignment of ESG strategy with the business strategy, receives updates on progress of the key pillars of the ESG strategy, and oversees the Group's overall communications strategy around ESG topics and impacts. The Full Board also retains primary responsibility for overseeing the management of climate risks and opportunities, and it oversees the management of other Environmental and Social risks and opportunities that may arise in the Bank's loan portfolio.

Updates on material ESG topics are regularly reported to the full Board or respective Committees. Management of ESG topics and implementation of ESG strategy are delegated to the Bank's Executive Management team. Discrete ESG matters are managed by individual members of Executive Management. A Management-level Environmental and Social Impact Committee (ESI Committee) has been established, comprising the Management Team and senior managers, including the Bank's CEO, CRO, COO, CFO, CLO, Head of HR, Chief Marketing Officer, Head of Investor Relations, and Head of Funding. The Committee is responsible for managing the Bank's climate, environmental and social impacts, focusing on those arising from its lending activities. It holds overall responsibility for designing, implementing, and enhancing environmental, social and climate strategies and policies, and for setting and monitoring targets. The Committee intends to further embed Environmental and Social risk management in the Bank's daily operations.

USING POWER OF FINANCE TO CREATE SUSTAINABLE PROGRESS

We believe in shared success. Sustainability for us means acting in ways that empower our customers, our employees and our communities, and doing business the right way, following the highest standards of corporate governance and robust risk management practices. This ensures we effectively mitigate the negative impacts we may have, directly or indirectly, on the economy, people, and the environment and that we contribute to the sustainable development of the communities where we operate. Lion Finance Group PLC ('Group') is a FTSE 250 holding company, whose subsidiaries deliver banking and financial services in the rapidly growing markets of Georgia and Armenia through two customer-centric universal banks – Bank of Georgia in Georgia and Ameriabank in Armenia.

Innovation and responsibility go hand in hand. We recognize the role the Group can play in supporting Georgia's and Armenia's path to a carbon-neutral future, embedded in their National Determined Contributions (NDC)[1] and Long-term Low Emission Development Strategies (LT-LEDS)[2] and soon to be adopted Climate Law in Georgia. We believe understanding and managing ESG and climate-related risks is crucial to maintaining our financial strength, so our approach to ESG and climate has been integrated in the work we do across the business. The management of ESG and climate-related issues is subject to the governance and oversight of our Executive Management team and the Supervisory Board. We continue to make progress in understanding climate-related risks and opportunities, and putting in place practices to identify, assess, monitor and manage climate-related issues, focusing on the Bank's loan portfolio, as the main risks and impacts are associated with lending. We continue to support our business customers in their transition towards greener and more sustainable ways of doing business.

Sustainable finance for us means integrating ESG and climate criteria into core operations and decision-making processes. This involves aligning investment decisions, risk assessments and lending practices with a commitment to long-term sustainability. As a leading lender and a reliable partner for businesses of any size in Georgia and Armenia, the Group is committed to mobilizing and prudently channeling financing to support customers and drive economic growth while reasonably mitigating climate, environmental and social (CE&S) risks in our financing. The CE&S management of the Bank's loan portfolio is based on the Environmental and Social Risk Management System (ESMS) and Climate Risk Management (CliRM) framework and encompasses a systematic identification, assessment, mitigation and monitoring of CE&S risks associated with the projects that are financed by the Group's Corporate Banking and SME Banking segments.

We understand that businesses can no longer operate in isolation from the impact they have on the planet and the people, and, therefore, we are establishing Green Finance Framework, that will support origination of different green products and create green finance opportunities for the businesses. This will help us identify opportunities for sustainable growth and mitigate potential adverse impacts and reduce risk of financial losses, and foster the development of a resilient and sustainable financial system and businesses around.

1 Georgia's updated NDC 2021-2030 of the republic of Amenia to the Paris Agreement
2 Georgia's Long-term Low Emission Development Strategy; Long-term Low Greenhouse Gas Emission Development Strategy of the Republic of Armenia (until 2050)

OUR GREEN FINANCE FRAMEWORK

The transition to a low-carbon, resilient and environmentally sustainable economy requires vast amounts of capital. This document ('Green Finance Framework' or 'Framework') establishes the process and criteria ('Eligible Green Loan Categories) we in Group use to support the mobilization of debt capital to sustainable and environmentally beneficial purposes.

The Green Finance Framework is based on the:

- LMA Green Loan Principles 2023
- ICMA Green Bond Principles 2022
- ICMA Green Project Mapping 2021
- ICMA Harmonized Framework for Impact Reporting 2023
- National Bank of Georgia's (NBG's) Green Taxonomy

The Framework is presented through the following key pillars:

- Use of Proceeds
- Green Loan Evaluation and Selection Process
- Management of Proceeds
- Reporting

The Group will use this Framework to issue different types of Green Finance Instruments, including but not limited to bonds and loans. The Framework sets forth the criteria for loans ("Green Loans") that qualify for allocation to the Green Finance Instruments issued by the Group. These criteria ensure that the funded activities significantly contribute to both countries' sustainable development priorities and green economy transition. Since Armenia is set to develop a Sustainable Finance Taxonomy at the national level in the coming years, the Green Loan categories are aligned with the NBG's Sustainable Finance (SF) Taxonomy, which provides a framework for classifying activities that support key climate, environmental, social, or sustainability objectives.

We have specifically aligned the Green Loan categories with NBG's list of green activities (Green Taxonomy) designed to achieve environmental objectives and advance a green economy. It is important to note that the SF Taxonomy does not address regulations related to implementation, risk management, or additional requirements such as the "Do No Significant Harm" and "Minimum Social Safeguards" criteria outlined in the EU Taxonomy. These issues are addressed separately within the ESG Guidelines.

Aligned with the Group's ESG strategy and in support of the 2030 agenda and the Sustainable Development Goals, the Green Loan Criteria in this Framework directly contribute to achieving specific NDC commitments in both Georgia and Armenia, aligning the Group's operations against LT-LEDS, UN SDGs and their related targets.

Given the rapid development of the Green Loan Principles and the green financing market, this Green Finance Framework may be revised or expanded.

USE OF POCEEDS

The Group has established specific Green Asset Pool to collect the funds dedicated to financing environmentally friendly projects, companies, or assets. All the net proceeds generated from any Green Finance Instrument will be added to this pool. Funds will be allocated exclusively to initiatives that meet the eligibility criteria outlined in the Framework, ensuring they contribute to a cleaner and more sustainable future.

Issuing entities under Lion Finance Group PLC Green Finance Framework

BANK OF GEORGIA

AMERIABANK

ELIGIBLE GREEN LOAN CATEGORIES

Main Category	Sub-category	Eligible activities	SDG
Renewable energy  **EU Environmental objective:**  **Climate change mitigation**	Energy generation from renewable sources	• Solar - electricity generation from PV or CSP technology, production of heat/cool using solar thermal, cogeneration of power and heat/cool from solar energy) • Hydropower a. the electricity generation facility is a run-of- river plant and does not have an artificial reservoir. b. the power density of the electricity generation facility is above 5 W/m2. c. the life-cycle GHG emissions from the generation of electricity from hydro-power, are lower than 100g CO_2 e/kWh. The life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018162, ISO 14064-1:2018163 or the G-res tool. Quantified life-cycle GHG emissions are verified by an independent third party. • Wind - electricity generation from wind • Bioenergy - electricity generation, production of heat/cool, and cogeneration of power and heat/cool from bioenergy, production of biofuel, biomass, biogas and other bioenergy products For bioenergy products the activity complies with national regulations (e.g., Forest Code of Georgia & Subsidiary legislations) or with recognized international standards, such as the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) • Geothermal energy - electricity generation, production of heat/cool, and cogeneration of power and heat/cool from geothermal energy	

	Construction/ maintenance /Expansion of associated distribution networks	• Upgrading/improvement of transmission lines and supporting infrastructure for renewable energy systems • Upgrading/improvement of distribution systems for renewable energy systems • ICT/smart grid application including controls, computers, automation, sensors, smart meters, ICT platforms and technology that is dedicated to smart system	
	Storage	• Storage of electricity	
Main Category	**Sub-category**	**Eligible activities**	**SDG**
Energy efficiency **EU Environmental objective:** **Climate change mitigation**	Energy Efficiency in Industrial Facilities	• Upgrade of industrial machinery and technology Investments in equipment, machinery, or technology demonstrate measurable improvement in the energy performance of operations, which leads to energy, GHG, or resource savings of at least 20% per unit as compared to the previous year of operation. • Purchase of EE industrial machinery and technology The highest class of energy efficiency of a product (EU energy label A, B or products with comparable performance under other classification schemes). • Manufacture of soft drinks, mineral water a. Water use ratio: ≤ 1.3 ltr/ltr Energy use ratio: ≤ 0.05 kWh/ltr b. Criteria defined for all industry sectors (see above two sub-categories)	

	Energy Efficiency in Agriculture	• Upgrade of agriculture machinery and technology Investments in equipment, machinery, or technology demonstrate measurable improvement in the energy performance of operations, which leads to energy, GHG, or resource savings of at least 20% per unit as compared to the previous year of operation. • Purchase of EE agriculture machinery and technology The highest class of energy efficiency of a product (EU energy label A, B or products with comparable performance under other classification schemes).	
	Energy Efficiency in Buildings	• Energy efficient lighting The highest class of energy efficiency of a product (EU energy label A, B or products with comparable performance under other classification schemes). • Energy efficient heating/cooling systems The highest class of energy efficiency of a product (EU energy label A, B or products with comparable performance under other classification schemes). Energy Efficiency Ratio (EER) and/or Coefficient of Performance (COP) 20% higher than the minimum requirements set by the Ordinance of the Government of Georgia on "Minimum energy efficiency requirements for buildings, building parts or building elements. • Energy efficient appliances (end user) The highest class of energy efficiency of a product (EU energy label A, B or products with comparable performance under other classification schemes).	

Main Category	Sub-category	Eligible activities	SDG
Sustainable Building and Construction  **EU Environmental objective:**  **Climate change mitigation, protection and restoration of biodiversity and ecosystems.**	Construction of new buildings	• Commercial and public buildings • Individual residential house • Block of flats • Other types of building consuming energy 1. The activity demonstrates an energy demand at least 10% lower than the national requirements set for ne arly zero-energy buildings (NZEB), or in the absence of NZEB standards, 10% lower than the national building code requirements for energy performance (e.g., Ordinance of the Government of Georgia on "Minimum energy efficiency requirements for buildings, building parts or building elements") or 2. have or are intended to receive a design or post-construction certification in any of the following building certification schemes at minimum level or better: - LEED-Silver, - BREEAM-Good, - EDGE – Level, - WELL – Silver or corresponding levels of other internationally recognized certificate.	

	Renovation/ Improvement of Existing Buildings	• Efficiency improvements in existing commercial and public buildings, individual residential house, block of flats and other types of building a. For major renovation (>25% building envelope): ≥ 20% reduction of Primary Energy Demand (PED); b. For single measures / equipment: Each measure compliant with minimum requirements set for individual components and systems in the applicable national regulations (e.g., In Georgia 10% better than the minimum requirements)	
	Build environment	• Systems for managing energy performance of buildings a. installation, maintenance and repair of zoned thermostats, smart thermostat systems and sensing equipment, including. motion and day light control. b. installation, maintenance and repair of building automation and control systems, building energy management systems (BMS), lighting control systems and energy management systems (EMS). c. installation, maintenance and repair of smart meters for gas, heat, cool and electricity. d. installation, maintenance and repair of façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation. • Charging stations for EVs in buildings Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings. • Urban development Construction, upgrading and maintenance such as public green spaces, car-free areas, EE street lighting.	

Main Category	Sub-category	Eligible activities	SDG
Sustainable Production, Trade & Services  **EU Environmental objective:**  **Climate change mitigation**	Manufacturing and Trading of Low Carbon and Energy Efficient Technologies and Products	• Manufacturing and trading of energy efficient equipment, technologies and products The activity complies with one of the following criteria: a. The highest class of energy efficiency of a product (EU energy label A, B or products with comparable performance under other classification schemes). b. EU eco-design directive and relevant eco-design regulations • Manufacturing and trading of renewable energy technologies and products Manufacturing and trading of renewable energy products, key components, equipment and machinery that are necessary for eligible renewable energy technologies. • Manufacturing and trading of sustainable building materials and products a. Each measure compliant with minimum requirements set for individual components and systems in the applicable national regulations (e.g., In Georgia 10% better than the minimum requirements) b. The highest class of energy efficiency of a product (EU energy label A, B) c. EU eco-design directive and relevant eco-design regulations	
	Eco-friendly and Bio Products/ Production Technologies	• Production of eco-friendly products Eco-Friendly Certificate or Ecolabel issued by accredited international or national entities. • Production of bio/organic and bio-wine products Bio certificate issued by accredited international or national entities (for example, bio-certificate by CaucasCert and EuroCert)	

Main Category	Sub-category	Eligible activities	SDG
Green Services **EU Environmental objective:** **Climate change mitigation, climate change adaptation**	Consultancy services	• Environmental & Social related services • Certification and labelling • Services to improve energy efficiency • Other green services including R&D	
	Sustainable Eco-tourism	• Products and services promoting ecotourism development The activity complies with international (e.g., definition of ecotourism from The International Ecotourism Society (TIES)) or national standards (e.g., Ecotourism definition and guiding principles provided in the Ecotourism Strategy for Georgia 2020-2030) • Sustainable tourism accommodation The activity complies with one of the following criteria: a. Sustainable tourism accommodation certificate/label issued by accredited international or national entities (For example, ISO 21401; European Ecolabel for Tourist Accommodations; GSTC; EMAS) b. Technical screening criteria defined for Sustainable Buildings Category.	

Main Category	Sub-category	Eligible activities	SDG
Waste Management **EU Environmental objective:** **Pollution prevention and control**	Preparation, Collection, Handling & Storage	• Separate collection of waste of reusable or recyclable material • Separate collection of waste that is going to landfill The activities comply with the relevant national waste management legislation (e.g., Waste Code of Georgia and & Subsidiary legislations) or, where unavailable, adheres to internationally recognized standards, such as the EU Waste Framework Directive, ISO 14001 (Environmental Management), or equivalent. • Waste collection infrastructure The activity complies with the following criteria: a. Made from 100% recycled and recyclable materials. b. Collection vehicles - must meet corresponding technical criteria given in the Green Transport Category.	
	Recycle & reuse	• Facilities for recycling of materials The activity complies with the relevant national waste management legislation (e.g., Waste Code of Georgia and & Subsidiary legislations) or, where unavailable, adheres to internationally recognized standards, such as the EU Waste Framework Directive, ISO 14001 (Environmental Management), or equivalent • Facilities for re-use of materials	

	Wastewater management	• Wastewater treatment facilities • Wastewater reuse and recycling The activities comply with the relevant national water management legislation (e.g., Law of Georgia on Water and Subsidiary legislations) or, where unavailable, adheres to internationally recognized standards (e.g., EU Water Framework Directive)	
	Waste to Energy	• Composting of bio-waste The activity complies with the following criteria: a. The bio-waste that is composted is source segregated and collected separately. b. The compost produced is used as fertilizer or soil improver and meets the national bio-waste management requirements (e.g., Law of Georgia on Pesticides and Agrochemicals and Subsidiary legislations) or aligns with international standards such as the EU Fertilizer Regulation • Landfill gas capture and utilization The activity complies with the following criteria: a. The landfill or landfill cell where the gas capture system is newly installed, extended, or retrofitted is permanently closed and is not taking in further biodegradable waste. b. The produced landfill gas is used for the generation of electricity or heat as biogas or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry. c. Methane emissions from the landfill and leakages from the landfill gas collection and utilization facilities are subject to control and monitoring procedures. d. The activity complies with the relevant national landfill legislation (e.g., Georgian Technical Regulation on "Landfill Arrangement, Operation, Closure and Further Maintenance") or, where unavailable, adheres to internationally recognized standards (e.g., EU Landfill Directive)	

Main Category	Sub-category	Eligible activities	SDG
Sustainable Agriculture, Farming & Aqua-culture **EU Environmental objective:** **Climate change mitigation, climate change adaptation**	Sustainable agriculture & farming	• Growing of bio perennial crops • Growing of bio non-perennial crops • Sustainable animal husbandry products • Sustainable livestock • Sustainable textile processing and producing The activities comply with the following criteria: Bio certificate issued by accredited international or national entities (for example, bio-certificate by CaucasCert and EuroCert) • Climate smart agriculture Precision Farming: specific tractors, combines, sprayers, planters, diggers, which are all considered auto-guidance systems connected to a GPS what makes the "precision". Agroclimatic Information Systems: provide early warning/meteorological forecasts. Water conservation through improved irrigation systems, with an emphasis on micro-irrigation and smart hydroponic systems (without the use of soil, growing in a nutrient rich water-based solution). Increase the irrigated land based on drip irrigation and adopt measures to irrigate from reused treated wastewater as a measure of resilience. Post Harvest storage or processing facilities to avoid food waste. Others (Sustainable Soil/Land Management; R&D; Crop Management, Use of resilient seeds (drought, wind & flood tolerant); Pest and diseases Management, Minimal and zero soil tillage technologies.)	
	Fisheries & aquaculture	• Sustainable fishery & aquaculture The activity complies with the following criteria: Bio certificate issued by accredited international or national entities (for example, bio-certificate by CaucasCert and EuroCert)	

Main Category	Sub-category	Eligible activities	SDG
Green Transport  **EU Environmental objective:**  **Climate change mitigation, pollution prevention and control**	Public sector	• Passenger rail transport The activity complies with the following criteria: trains and passenger coaches have zero direct CO_2 emissions. • Electric and hydrogen urban, interurban and rural passenger road transport The activity complies with the following criteria: passenger road transport has zero direct CO_2 emissions. • Hybrid and other types of urban, interurban and rural passenger road transport The activity complies with one of the following criteria: a. direct emissions are below 50 gCO_2/km; b. Euro 5/V or 6/VI Standard defined by EU regulations No 715/2007, No 582/2011, No 2017/1151 or equivalent standard under different classification.	

	Private sector	• Human powered wheeled vehicles and wheeled devices Any human powered wheeled vehicle or device that has only the CO_2 emissions from breathing of the person(s) driving, riding or operating such vehicle or device. • Platform ridable vehicles that use electric propulsion Small electrically powered vehicles, of a platform ridable variety that are not classified as cycles, mopeds or motorcycles that have zero direct CO_2 emissions. • Electric and hydrogen cars, light commercial vehicles and electric motorcycles/ mopeds/bicycles The vehicles have zero direct CO_2 emissions. • Hybrid passenger cars and light commercial vehicles The activity complies with one of the following criteria: a. direct emissions are below 50 gCO_2/km; b. Euro 5/V or 6/VI Standard defined by EU regulations No 715/2007, No 582/2011, No 2017/1151 or equivalent standard under different classification.	
	Freight and cargo transportation	• Freight rail transport Trains and wagons have zero direct CO_2 emissions. • Freight road transport Euro 5/V or 6/VI Standard defined by EU regulations No 715/2007, No 582/2011 or equivalent standard under different classification.	

	Water transport	• Passenger water transport • Freight water transport, vessels for port operations and auxiliary activities The activities comply with one of the following criteria: a. zero direct CO_2 emissions. b. hybrid and dual fuel vessels derive at least 25% of their energy from zero direct (tailpipe) CO_2 emission fuels or plug-in power for their normal operation at sea and in ports.	
	Industrial and Agricultural Vehicles	• Industrial and agricultural vehicles The activity complies with one of the following criteria: a. The vehicles have zero local (direct) GHG emissions (electric); b. Hybrid and other types of vehicles if direct emissions are below 50 g CO_2/km; c. Vehicles comply with the latest Euro V/VI Standard defined by EU regulations No 582/2011 d. Engines in vessels must comply with latest applicable standards (currently stage V) of Non-Road Mobile Machinery Regulation, EU Regulation No 2016/1628 e. SEC maximum torque - 220 g/kWh and lower	

	Infrastructure	• Infrastructure for low carbon transport The construction, modernization, maintenance and operation of transport infrastructure is eligible in the following cases: 1. Infrastructure that is required for zero direct emissions transport (e.g. electric charging points, batteries or hydrogen fueling stations); 2. Construction of railways and underground railways (electrified rail); 3. Infrastructure that is predominantly used for low-carbon transport if the vehicles that uses the infrastructure meets the technical criteria as defined in the relevant activity. Infrastructure that is dedicated to the transport of fossil fuels or blended fossil fuels is not eligible. • Infrastructure for water transport The construction, modernization, maintenance and operation of transport infrastructure is eligible in the following cases: 1. Infrastructure that is required for zero direct and low emissions water transport (e.g., batteries or hydrogen fueling facilities); 2. Cold Ironing/Alternative Maritime Power (AMP) system installation.Infrastructure that is dedicated to the transport of fossil fuels or blended fossil fuels is not eligible. • Public walking and cycling infrastructure and cycling schemes • Bicycle parking and storage facilities and equipment	
	Smart transport systems	• Smart transport services and logistics Specific hardware and software facilities and systems that improve the capability and efficiency of transportation and logistics. for example, ICT (public transport information, car-sharing schemes, etc.); Warehouse Management System (WMS), Transportation Management Systems (TMS), Enterprise Resource Planning (ERP), Port Community System (PCS).	

Main Category	Sub-category	Eligible activities	SDG
Biodiversity conservation **EU Environmental objective:** **Protection and restoration of biodiversity and ecosystems.**	Species Conservation	• Protection of animal species • Protection of plant species The activities comply with the following criteria: Favorable Conservation Status (FCS) is maintained	

	Ecosystem conservation	• Establishment and management of Protected Areas and Other Effective Area-based Conservation Measures (OECMs) • Restoration and protection of rivers, lakes and wetlands and other water bodies • Habitat restoration and remediation activities • Comprehensive management of sea areas and coastal zones	
	Forests	• Sustainable management of commercial forest • Sustainable management of protected forest • Sustainable management of protection forest • Sustainable management of resort and recreational forest • Protection and tending • Reforestation and afforestation The activities comply with relevant national forestry laws (e.g., Forest Code of Georgia & Subsidiary legislations and requirements of Regulations on Forest Protection, Reforestation and Tending Rules) or international standards, such as the Forest Stewardship Council (FSC) or FAO Principles. Reforestation and afforestation projects must prioritize native or climate-resilient species and follow international guidelines to enhance biodiversity and carbon sequestration.	

Main Category	Sub-category	Eligible activities	SDG
Pollution Prevention & Control  **EU Environmental objective:**  **Pollution prevention and control**	Air quality	• Industrial air pollution treatment, recycling facilities Emissions are within or lower than the emission levels associated with the Best Available Techniques (BAT-AEL) ranges set out in the latest relevant Best Available Techniques (BAT) conclusions. [https://eippcb.jrc.ec.europa.eu/reference] • Reduction of pollution from the agricultural sector Agricultural activities must implement good practices to reduce ammonia emissions, such as improved manure management and the use of low-emission spreading techniques, in alignment with international guidance (e.g., UNECE). • Reduction of pollution from the energy sector Solid fuel boilers and stoves that comply with the eco-design requirements set by EU Regulation 2015/1189 and EU Regulation 2015/1185. • Comprehensive treatment of dust pollution in urban areas	
	Soil quality	• Soil restoration, remediation and clean up The activity complies with national soil protection policies (e.g., Law of Georgia on Soil Protection and Subsidiary legislations) or with international standards, such as the UNCCD (United Nations Convention to Combat Desertification) guidelines • Soil protection The activity complies with national soil protection policies (e.g., Law of Georgia on Soil Protection and Subsidiary legislations) or with international standards, such as FAO Guidelines on Soil Management	

Main Category	Sub-category	Eligible activities	SDG
Sustainable Water Management **EU Environmental objective:** **Sustainable use and protection of water and marine resources**	Water collection, Treatment and Distribution	• Water storage, distribution and treatment facilities The activity adheres to international water safety and efficiency standards (EU Drinking Water Directive or WHO Water Safety Guidelines), or equivalent national standards (e.g., Law of Georgia on Water and Subsidiary legislations, to ensure sustainable use of water resources.	
	Water Monitoring	• Smart networks and early warning systems • Water quality and/or quantity monitoring process	
	Water Management	• Drought and flood management • Construction, operation and renovation of urban drainage facilities	

GREEN LOAN EVALUATION AND SELECTION PROCESS

The Group applies a comprehensive three-step approach to evaluate and select Green Loans, ensuring alignment with the eligible activities defined in the "Use of Proceeds" section of this Framework.

STEP 1

Selection

A structured internal procedure is in place to identify potential Green Loans across the Group. Relevant teams actively screen projects and clients that align with the Group's green financing objectives, assessing their nomination for inclusion in the Green Asset Pool. The selection process is based on clearly defined criteria that ensure all nominated loans meet the requirements set out in the "Use of Proceeds" section. This guarantees that only projects or activities contributing to environmental sustainability are considered.

STEP 2

Evaluation

Once potential Green Loans are identified, they undergo a detailed evaluation to ensure compliance with the Green Finance Framework. This process includes verifying their alignment with eligibility criteria and assessing for any material environmental or social risks. Loans that pass this evaluation are formally designated as Green Finance Instruments and included in the Green Asset Pool for ongoing tracking and monitoring.

STEP 3

Reporting

Validated Green Loans are recorded in the Green Asset Pool, and the Group ensures regular reporting on its operations and allocations. Updates on the Green Asset Pool, including details on final eligible loans, are presented to senior management and relevant committees within the Group. If any assets are found to no longer meet the criteria, they are subject to exclusion and reassessment as outlined in the evaluation process.

MANAGEMENT OF PROCEEDS

The Group ensures that net proceeds from Green Financing Instruments are responsibly managed and allocated in line with its sustainability objectives. All net proceeds are assigned to an Eligible Green Asset Pool, which includes loans and investments that comply with the criteria defined in the Framework's "Use of Proceeds" section. The Group is committed to maintaining a balance between the size of the Green Asset Pool and the outstanding proceeds from its Green Financing Instruments, ensuring full allocation over time.

Until allocation is completed, unallocated proceeds will be managed in accordance with the Group's standard treasury policies. These funds may be held in cash, cash equivalents, or other liquid instruments, but will not be used for investments in industries or activities misaligned with the Group's environmental priorities. The Group will regularly review and adjust the Green Asset Pool to ensure transparency and compliance with the Framework's objectives, with robust monitoring mechanisms in place to maintain accountability.

REPORTING

The Group will provide annual updates for each issuing entity until the maturity of its Green Finance Instruments. These updates will include:

- the outstanding amount of Green Finance Instruments
- total allocation of Green Finance Instrument net proceeds to each Green Loan category
- the balance of Green Loans in the Green Asset Pool
- Performance reporting (as described below)

The performance reporting will focus on the positive impact achieved through the Group's financing activities. This includes metrics such as energy savings, greenhouse gas (GHG) emission reductions, and other relevant indicators. To ensure accuracy, the Group plans to collaborate with consultants to develop specialized tools aligned with recognized technical criteria. These tools will support detailed impact assessments and calculations.

While these tools are under development, initial assessments will rely on best-effort estimates, recognizing that some data may not yet be available. The Group's priority will be to report on the most critical indicators, particularly those related to energy efficiency and emission reductions. Where possible, aggregate performance indicators will be presented for each issuing entity, offering a clear and transparent view of the environmental benefits achieved. The Group will strive to aggregate and present, where feasible, the indicative KPIs for each issuing entity, as outlined in the table belo

Green Loan Category	Indicative Key Performance Indicator (KPI)
Renewable Energy	**Renewable energy generation** • Renewable energy generation (MWh per year) • Installed renewable energy capacity (MW) • GHG savings (tonnes per year) **Energy transmission and storage** • Distance of transmission (km) • Energy transmitted (MWh per year) • Energy storage capacity (MW) • Energy savings (MWh per year) (if applicable)
Energy Efficiency	• Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)/a • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/b
Sustainable Building & Construction	**Energy performance** • kWh/m2 of Gross Building Area p.a.; and • Reduction in energy use (MWh per year) **Carbon performance** • GHG savings (tonnes per year) **Certification Standard (if available)** • Type of scheme, certification level and m2 GBA
Sustainable Production, Trade & Services	**Manufacturing of renewable energy technologies** • Generation capacity of manufactured components (MW) • Storage capacity of manufactured components (MW)
Green Services	**Eco-tourism** • Number of sustainable tourism accommodation certificate/label issued
Waste Management	**Waste prevented, minimised, reused or recycled** • Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a. **Energy recovered from waste** • Annual energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities in MWh/GWh (electricity) and GJ/TJ (other energy) • GHG emissions from waste management before and after the project in tCO2–e p.a.
Sustainable Agriculture, Farming & Aquaculture	**Agriculture** • Area planted/ maintained with sustainable practices / climate smart (ha) • Area under improved manure management (ha) **Fishery** • Certification scheme • Type of fish (if available)
Green Transport	**Low-carbon public transport and vehicles** • Distance transported (pkm or tkm) • GHG savings (tonnes per year) **Low-carbon transport infrastructure** • GHG savings (tonnes per year) due to the installed technology (direct), by transferring freight or passenger transport from road to, for example, railway (indirect) or both (as applicable) • Number of units installed (if applicable)
Biodiversity Conservation	**Forests and forestry** • Forest area (he) • Forestry certification scheme (if applicable) • Net carbon sequestration (tonnes per year) (if available)
Sustainable Water Management	**Sustainable water management** • Annual absolute (gross) water use before and after the project in m3/a, reduction in water use in % **Wastewater treatment projects** • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m3/a and p.e./a and as %

EXTERNAL COMMUNICATIONS – GRIEVANCE MECHANISM

The Group encourages all its stakeholders to contact the Group in case they have questions, any concerns or suspicions of violation of any policy principle. In case of questions regarding the Policy, please contact our ESG & Sustainability Direction via sustainability@bog.ge

In case of questions about Environmental and Social Risk Management or our Green Portfolio, please contact our Environmental and Climate Risk Management Unit via risk_environment_and_climate@bog.ge at Bank of Georgia and office@ameriabank.am or crm@ameriabank.am at Ameriabank.

Customer, employees and all other stakeholders can contact us or make complaints through several channels, including in branches, by phone, website, social media presences and by post. The Group has a whistleblowing mechanism in place to ensure that any violation of the Policy principles will be managed appropriately.

Contact Information

Lion Finance Group PLC	29 Farm Street, London, W1J 5RL
TEL:	+44 (0) 203 178 4052
JSC BANK OF GEORGIA	29a Iuri Gagarini Street Tbilisi, Georgia
TEL:	(+995 32) 2 444 444
CJSC Ameriabank	Vazgen Sargsyan 2, Yerevan 0010, RA
TEL:	(+37410) 56 11 11
CUSTOMER CARE	customerservice@bog.ge info@ameriabank.am
WHISTLEBLOWING	https://bankofgeorgia.ge/en/anonymous-contact
WHISTLEBLOWING HOTLINE	*4004
SOCIAL MEDIA (FACEBOOK)	საქართველოს ბანკი / Bank of Georgia Ameriabank CJSC

RELATED POLICIES AND PROCEDURES

- Environmental Policy
- Environmental and Social Risk Management System (ESMS)
- Climate Action Strategy

CHANGES TO THIS POLICY

We keep this Policy under regular review. Original/previous versions (if any) can be obtained by contacting ESG and Sustainability Direction (where necessary).